

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:1332
ANSWERED ON:21.08.2007
MINES ROYALTY
Patel Shri Kishanbhai Vestabhai

Will the Minister of MINES be pleased to state:

- (a) whether the Government proposes to switch over to ad valorem basis for calculating royalty from mines;
- (b) if so, the details thereof;
- (c) whether royalty on minerals is also likely to be increased by such change;
- (d) if so, the details thereof; and
- (e) the extent to which the States are likely to be benefited by such changes?

Answer

MINISTER OF STATE IN THE MINISTRY OF MINES (DR. T. SUBBARAMMI REDDY)

(a)& (b): A High Level Committee(HLC) constituted by the Planning Commission under the chairmanship of Shri Anwarul Hoda, Member, Planning Commission has recommended that the method of fixation of rates of royalty should move forward decisively on the basis of ad valorem rates. The recommendations of HLC are available at the website of Planning Commission.

(c) to (e): Rationalizing of royalty rates including the rates fixed on ad-valorem basis in view of the prices and demand of minerals are likely to increase the revenue collection of the State Governments.